

STAND. COM. REP. NO.

127

Honolulu, Hawaii

FEB 09 2007

RE: S.B. No. 624
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 624 entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit to individual taxpayers who purchase long-term care insurance premiums.

The Department of Taxation, the Healthcare Association of Hawaii, and the Association of Insurance and Financial Advisors submitted testimony in support of this measure. The Kokua Council submitted testimony in opposition.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in an annual revenue loss to the State of \$2,700,000 for fiscal year 2009, and \$5,400,000 for fiscal year 2010 and subsequent fiscal years. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that the future of long-term care for Hawaii's senior and adult disabled population is one of the most critical health issues facing Hawaii in the twenty-first century. Persons sixty years of age and older presently account for nearly one-fifth of the adult population of the State. By 2020, they will account for more than one-fourth of Hawaii's adult

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population. The rapid growth of the elderly and disabled populations will result in extraordinary demands on the delivery of long-term care services. Most people have not financially prepared themselves for the costs of long-term care services, which can be substantial. As the testifiers noted, the average cost of institutionalized long-term care can be upwards of \$75,000 per year. This measure will assist low- and moderate-income taxpayers to purchase long-term care insurance by providing a tax credit for a portion of the long-term care premiums.

It is the Committee's intent to encourage the provision of long-term care coverage for Hawaii residents.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 624, S.D. 1, and be referred to the Committee on Economic Development and Taxation.


Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Public Housing,

Suzanne Chun Oakland
SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:* SB 624	Committee Referral: HSP, EDT, NAM	Date: 2-6-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended <small>2312</small> <input checked="" type="checkbox"/> Pass, with amendments <small>2311</small> <input type="checkbox"/> Hold <small>2310</small> <input type="checkbox"/> Recommit <small>2313</small>				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
SAKAMOTO, Norman				✓
HEMMINGS, Fred	✓			
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes